

Disconnection and Reconnection Report

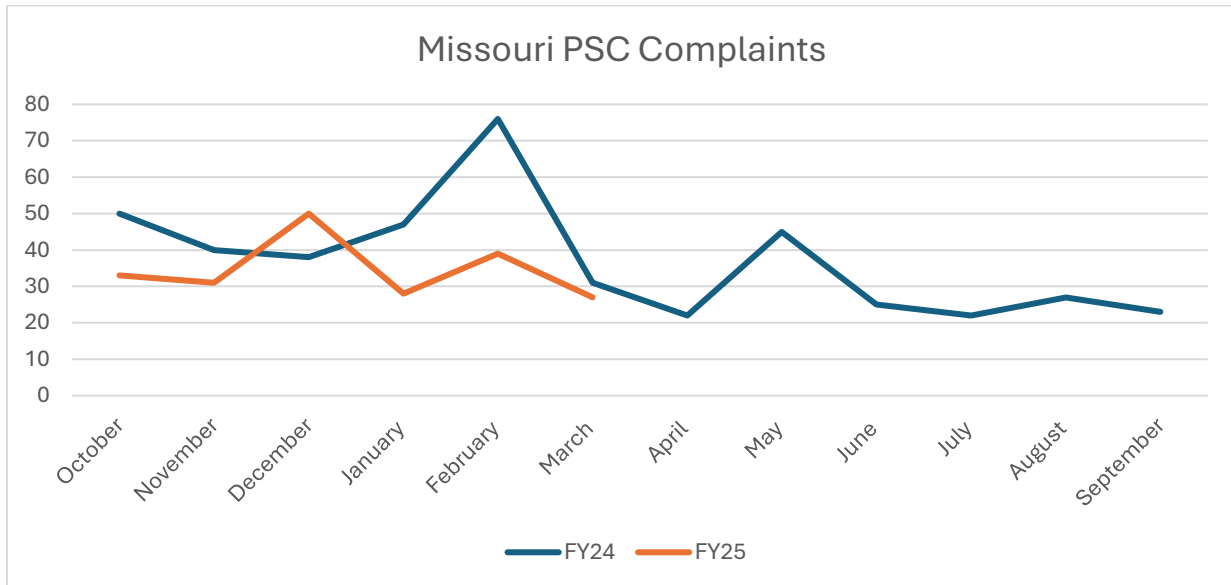
I. EXECUTIVE SUMMARY

On March 5, 2025, the Missouri Public Service Commission (“Commission”) issued an order directing Spire Missouri Inc. (“Spire Missouri” or “Company”) to respond to customer allegations regarding disconnections and reconnections and provide a detailed report in its rate case, File No. GR-2025-0107. The Commission noted the receipt of multiple customer complaints related to disconnections and reconnections and directed the Company to specifically respond to: **(1) disconnections of accounts without proper notice, (2) lack of knowledge or awareness of account ownership resulting in disconnections, and (3) delays in reconnections after arrearages have been paid.** The Company acknowledges the concerns of the Commission. Ensuring fair and transparent customer disconnection and reconnection processes that are in compliance with regulatory standards is essential for maintaining trust with our customers and the Commission. Spire Missouri’s disconnection and reconnection processes are governed by Title 20, Division 4240, Chapter 13 of the Missouri Code of State Regulations (“Chapter 13”), and the Company’s Rules and Regulations tariffs.

Spire Missouri has conducted an internal investigation into its disconnections and reconnections, including reviewing its processes and relevant customer complaints and identifying opportunities for improvement. Based on the Company’s investigation, the primary driver of the issues identified by the Commission is related to the Company’s delayed transfer process, which is more fully described below. Preceding the Commission’s order, Spire Missouri was actively investigating and addressing the issues related to delayed transfers and, had we communicated better with Staff and our customers once the issue was identified, we believe we could have collaborated with Staff and the Commission and provided a better experience for our customers while we resolved the issues. This report highlights key findings around delayed transfers, discusses additional findings, explains the actions that Spire Missouri has taken to resolve the issues identified by the Commission, and provides recommendations for further improvement. As part of the investigation, and as a result of Staff’s observations during the rate case, we have also identified a need for comprehensive documentation of our cross-functional processes for

disconnections and reconnections, in particular, the delayed transfer process, which is attached as Appendix A.¹

Spire Missouri appreciates the Commission bringing these customer service issues to our attention and providing the opportunity to investigate the issues and respond. We always strive to avoid and mitigate all customer complaints, and as shown below, our customer complaints have been fairly steady over the last two years, recognizing a spike in February 2024. In reviewing this spike, it was primarily driven by high winter bills and bill print delays due to an incident with our bill print vendor. The Company looks forward to continuing our focus of providing excellent customer service and delivering safe and reliable natural gas to our customers.



II. KEY FINDING – DELAYED TRANSFERS

The key finding of the Company’s investigation is that the origin of the issues highlighted by the Commission is primarily isolated to the delayed transfer process. The issues related to the delayed transfer process were identified in March 2024 and are described below.

The delayed transfer process starts when a customer moving out of their residence requests to stop their service. Rather than performing a hard disconnect, where the Company would physically turn the gas off entirely, in a delayed transfer, the customer account is closed, and the

¹ The Company’s other processes for disconnection and reconnections, including field activities that may result in interruptions to customer gas service, have been provided in the context of this rate case to Staff.

gas is left on with the expectation that a new customer will likely move in. This is also known as a soft disconnect. The delayed transfer process, through the creation of a disconnect order, is the following:

1. When a current customer calls to stop service, a stop service order is entered for the requested date. At the end of the billing cycle, a bill will generate with the meter reading from the date of the stop service. If auto pay is active, the payment for the final bill is drafted on the due date.
2. Service is not physically stopped at this point and is considered a soft disconnect.
3. If no start service is requested at the premises within 30 days and no gas has been used, a disconnect service point field activity is automatically created and then routed by the workload planning team.
4. If 30 days have passed and gas has been used but has not reached 10 Ccf in the summer or 40 Ccf in the winter, a letter is generated and sent to the occupant at the service address. This letter notifies the occupant to call us to apply for service or the gas will be disconnected.
5. If the usage exceeds 10 Ccf in the summer or 40 Ccf in the winter before 30 days have passed, a letter is generated and sent to the occupant at the service address. This letter notifies the occupant to call us to apply for service or the gas will be disconnected.
6. If the occupant has not applied for service within 10 days, a field activity is automatically created to have the service physically stopped (a hard disconnect) and then is routed by the workload planning team.

In March 2024, Spire Missouri identified a backlog of delayed transfer cases and related field activities for disconnection. Some of the Company's field activities that are created by appointment booking are automatically routed through the workforce management system, however, the delayed transfer field activities resulting in the backlog are not appointment booked field activities and therefore not automatically routed. When a field activity is not automatically routed, it must be routed manually in order for it to reach a technician to be worked. This has since been corrected, and the process now works as described above with these field activities being routed by the workload planning team, just like a disconnect for non-payment field activity. Through its investigation, the Company realized that there was a misunderstanding about which

team was responsible for working the delayed transfer disconnects. The workload planning team believed that these disconnect service point field activities that were being generated for vacant meters showing consumption were actually “locked meters showing consumption,” or a theft of gas situation, which are routed and managed by a different field operations team, called the diversion team. The diversion team believed workload planning was working these since they were disconnect service point field activities. While some of these field activities were worked, no team thought it was their responsibility to consistently route the field activities, resulting in a backlog. The customer experience billing team received delayed transfer cases for manual follow up, and kept seeing the same cases show up because the field activities were not being completed. The billing team assumed that because the field activities were not a priority and being worked in the field, the cases were also not a priority. In March 2024, the recurring cases were brought to the attention of customer experience leadership, and it was identified that there was a problem with the field activities being worked and a backlog existed.

The total number of delayed transfer cases in the backlog identified in March 2024 was approximately 10,700, but some of the cases did not need to be worked because they already had active accounts setup. Given this backlog and the fact that some of these premises were utilizing gas without an account (Issue 2 raised by the Commission), Spire Missouri immediately started working these field activities to clear the backlog. This effort resulted in service interruptions and back billing. Unfortunately, while clearing the backlog, other issues occurred as well. We did not resend letters to the occupants prior to disconnection for those that were worked during the months of May-September 2024, and therefore some occupants were not notified in a timely manner in advance of being disconnected (Issue 1 raised by the Commission). Some occupants were not reconnected as quickly as they would have liked after being disconnected (Issue 3 raised by the Commission). In some instances, incorrect door hangers were left for customers. This resulted in an unfavorable customer experience for the households impacted by this error. Ultimately, after reviewing all of the accounts and working through the backlog, approximately 1,200 premises were disconnected, and nearly all of them proceeded to be reconnected.

To date, the Company is aware of 31 informal complaints received from customers due to this issue, and the backlog is now clear. While the backlog identified in March 2024 is now clear², it is possible that there are still a handful of customers that either (a) have not paid their back bill yet³, or (b) have not reconnected since being disconnected. Since clearing the backlog, the billing

² When the Commission issued the order requesting this report, the Company temporarily paused delayed transfer disconnects for approximately one month during its investigation.

³ Given the circumstances surrounding the disconnects that occurred while clearing the delayed transfer backlog, the Company decided to reconnect service prior to calculating and performing

team, workload planning, and field operations have identified ownership responsibilities as part of the process to ensure this workload remains current. A change has also been made to the process so the field activities related to delayed transfers are treated as priority orders by the workload planning team when routing to ensure they are worked in a timely manner. While it is not expected this will happen again, in the event Spire Missouri falls behind on working these field activities in the future, additional communication will be provided to the impacted occupants to allow them adequate time to set up an account or ensure they're informed of an imminent disconnect and the Commission will be notified. As discussed above, we have also taken it upon ourselves to fully document the cross-functional, end-to-end process related to the delayed transfer process.

III. ADDITIONAL FINDINGS

a. Advanced meter deployment.

Spire Missouri is in the process of an accelerated meter replacement program in its Missouri East service area. This meter replacement program is designed to replace all existing diaphragm meters with an advanced meter, given the retirement of the existing meter reading network in 2025. Rather than replacing the module on old mechanical meter technology, the meter replacement program is designed to replace all existing aged diaphragm meters with an advanced meter. The advanced meters provide capability for expanded service and safety features that do not exist with diaphragm meters. Spire Missouri began installing advanced meters in eastern Missouri in June 2021. To date, the Company has installed 523,085 advanced meters in Missouri East and 292,827 in Missouri West. In every case, the Company must visit the customer meter to perform the meter exchange. In many cases, the customer does not need to be present but, when service must be disrupted, Spire Missouri needs the customer to grant access to the premises so that service can be reinstated after the meter exchange. While we have taken steps to ensure a smooth transition to the advanced meters, given we are touching so many meters and visiting nearly all of our customers in such a short period of time, it is likely to create some disruption and complaints. We have done our best to mitigate this impact, but there have been a few issues that we have had to address.

For example, there has been at least one instance when a third-party contractor who was only contracted to perform inside meter changes went to an outside meter change and ultimately told the customer they could not work the field activity. This was an inconvenience to the customer and should not have happened. There are “flags” on all orders indicating whether it is an inside or outside meter, so an outside meter exchange should have never been assigned to a technician that

the back billing process. This was done to reconnect customers as quickly as possible that were disconnected.

cannot work that type of order. Since this occurrence, we have trained our third-party contractor working meter exchanges to be able to perform both inside and outside meter exchanges, so this does not happen again. Additionally, there was another situation where a third-party contractor working on behalf of Spire Missouri sent a text message to a customer trying to get them to allow him access to change the meter. This text message should not have been sent and is not in accordance with the Company's communication policy for technicians.

While the challenges of touching every customer meter in a short period of time exist, as a result of this internal investigation, and as mentioned above, we have taken it upon ourselves to fully document the cross-functional end-to-end process related to a disconnect for a meter exchange.

b. Disconnection Process Issues

While the Company believes its disconnections for non-payment are sound, the Company acknowledges the following minor issues that have been addressed and resolved, both internally and with our customers. The Company has also attached, as Appendix B, its disconnection and reconnection processes for non-payment.

i. 10-day letter

In June 2024, the Company identified that there were 323 customer accounts that had been disconnected without the initial 10-day notice since May 2024. Following the discovery of the issue, the Company reported the issue to Commission Staff and called all customers that were disconnected without the 10-day notice and offered to reconnect without requiring payment. This issue was caused by the Company implementing its current severance process, which ties its disconnections for non-payment to the customer's billing cycle. This technical issue was resolved for disconnection notices in the following cycle.

ii. 96-hour call

In March 2025, it was identified that the second 96-hour call as part of our disconnection for non-payment process was not being made. After review, it was determined that this was the case from December 1, 2024 to March 12, 2025. This call is an automated call that is made to customers informing them that if they do not pay their delinquent bill, they will be disconnected. When this issue was identified, disconnections for non-payment were suspended until it was resolved. This was resolved quickly and only resulted in roughly 1-day of suspended disconnect for non-payment field activities.

iii. Door hanger

It was recently brought to the Company's attention that there have been a number of instances in which an incorrect door hanger was left for customers after being disconnected. This error results in confusion for the customer because it may be unclear to them why they were disconnected or what they need to do to get reconnected. As a result of this, Spire Missouri has reviewed and updated its door hanger training materials and ensured all field technicians and third-party contractors are aware of which door hanger should be used for the various field activities.

c. Reconnections

The Commission identified an issue pertaining to "delays in reconnections after arrearages have been paid." As described above, Spire Missouri believes these issues are primarily the result of the delayed transfer process issue described above. For the disconnects related to the delayed transfer issue, these reconnections were worked as "start service" field activities given they resulted in customers setting up service for the first time at the premises. In hindsight, given the fact that these delayed transfer issue disconnections were the result of an error on the part of the Company, and in some cases, these premises were using gas for multiple years before being identified, Spire Missouri should have made an exception for these field activities and worked them same day or next working day rather than the three business days allowed by the Commission's rules for a start service. However, as a result of this investigation, and after reviewing its processes in an effort to afford the best customer service to customers, the Company is committing to working delayed transfer related reconnects same day or next working day (See Recommendation 3 below).

Generally, Spire Missouri's process regarding disconnections is to not disconnect customers after Thursday of each week. Chapter 13 requires that a customer not be disconnected on a day preceding a day that utility personnel are unavailable to reconnect customers. For the Company, this means that Thursday would be the last day of the week to disconnect, as our call center is not open on Saturday or Sunday. Also, Chapter 13 requires that if a customer calls in for a reconnect, the Company shall make a reasonable effort to restore service upon the day restoration is requested and is required to restore service not later than the next working day following the day requested by the customer. There are two ways that customers may contact us to schedule a reconnection. Customers may either call Spire Missouri's call center and speak with a call center representative or use our self-service option. The call center hours are from Monday through Friday, 7 a.m. to 7 p.m., so if requests are not received, either by phone or through the self-service option before 7 p.m. on Thursday, they cannot be routed for scheduling until Friday, at which point there is limited to no appointment availability. If Spire Missouri is able to schedule the

reconnection requests Friday morning for Friday, it makes a reasonable effort to do so. If the reconnection cannot be made for Friday, the Company schedules the reconnection for Monday.

IV. CONCLUSION & RECOMMENDATIONS

As described above, Spire Missouri conducted an internal investigation into its disconnections and reconnections, including a review of its processes and complaint data. Based on the Company's investigation, the primary driver of the issues identified by the Commission is related to what the Company refers to as delayed transfers, which has been fully described in this report. Through the investigation, the Company has identified the recommendations summarized below.

- a. **Recommendation 1:** Ensure ownership of the delayed transfer process is clearly documented and communicated. The Company has completed this.
- b. **Recommendation 2:** Apply cold weather rule to delayed transfers. The Company has completed this.
- c. **Recommendation 3:** If a customer is disconnected as a result of a delayed transfer, make every effort to reconnect the customer no later than the next working day. The Company will implement this by June 1, 2025.
- d. **Recommendation 4:** Develop comprehensive documentation of cross-functional processes for disconnections and reconnections. The Company has completed this.
- e. **Recommendation 5:** Proactively communicate customer service issues with Staff to ensure they are aware of potential abnormal customer service issues. Spire commits to proactive communication with Staff.
- f. **Recommendation 6:** Consider pausing disconnects for non-payment during the winter months, December through February. There are advantages and disadvantages to doing this, but the Company is open to doing this if the Commission wishes.
- g. **Recommendation 7:** Consider applying cold weather rule to atmospheric corrosion inspections (ACIs). The Company is open to this if it is acceptable to the Commission given the safety requirements associated with these inspections.

Spire Missouri is committed to providing superior customer service to its customers and values transparent and open communication with the Commission. We appreciate the opportunity to respond to these issues highlighted by the Commission and can sincerely say that these issues should not have occurred. We made a mistake that caused the identified issues raised by the Commission, and we should have proactively communicated it. We have corrected the process issues that led to this mistake, more fully documented the process, implemented recommendations, and will proactively communicate similar issues in the future.

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Disconnection: Delayed transfer

A. Background

- a. A disconnect for delayed transfer occurs when an existing customer moves out of a premises, and a new occupant moves in but fails to establish themselves as a customer.

B. Process prior to disconnect

- a. When a current customer calls to stop service, a stop service order is entered for the requested date. At the end of the billing cycle, a bill will generate with the meter reading from the date of the stop service. If auto pay is active, the payment for the final bill is drafted on the due date.
- b. Service is not physically stopped at this point and is considered a soft disconnect.
- c. If no start service is requested at the premises within 30 days and no gas has been used, a disconnect service point field activity is automatically created and then routed by the workload planning team.
- d. If 30 days have passed and gas has been used but has not reached 10 Ccf in the summer or 40 Ccf in the winter, a letter is generated and sent to the occupant at the service address. This letter notifies the occupant to call us to apply for service or the gas will be disconnected.
- e. If the usage exceeds 10 Ccf in the summer or 40 Ccf in the winter before 30 days have passed, a letter is generated and sent to the occupant at the service address. This letter notifies the occupant to call us to apply for service or the gas will be disconnected.
- f. If the occupant has not applied for service within 10 days, a field activity is automatically created to have the service physically stopped (a hard disconnect) and then is routed by the workload planning team.

C. Completing the disconnect

- a. When on premises, the technician must knock on the door and inform the resident that service is being disconnected. The technician will provide the resident a flyer with information on how to reconnect but cannot accept payment to stop the disconnect.
- b. If there is no answer at the door, the technician completes the disconnect and leaves a door hanger with information on how to reconnect service.

D. Other

- a. These field activities are routed to third parties and Spire employees.
- b. These field activities are worked Monday through Thursday, 8:00 AM to 4:00 PM, excluding holidays and the day before a holiday.

Reconnection: Delayed transfer

- A. Process for requesting reconnect/start service
 - a. When a customer requests a reconnect via the IVR, online, or over the phone with a representative, the start service process is explained.
 - b. A service initiation fee will be charged. The customer may choose to pay immediately, add to the next bill or spread out over the next three bills.
 - c. If the customer has previous debt at another location, we will request payment prior to starting service.
- B. Process for scheduling reconnect¹
 - a. If a customer requests a start service Monday through Friday, 7:00 am to 7:00 pm, the field activity will be scheduled and worked within the three-working day requirement for a start service.
 - b. If a customer requests a reconnect after hours, the field activity will be generated for within the next three-working days, which is typically three days later, but could be greater if the three-working days spans a weekend or holiday.
- C. Other
 - a. Start service orders are routed to internal employees only.
 - b. Technicians contact the customer when en route to complete the field activity.
 - c. If the customer is not home, the technician will leave a door hanger with information requesting that the customer call to reschedule.

¹ This will change from three days to next working day by June 1, 2025.

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Disconnection: Non-payment

A. Background

- a. A disconnect for non-payment occurs when a current customer fails to pay their bill on time.

B. Process prior to disconnect

- a. The disconnect for non-payment process begins when a bill is unpaid after its due date – usually 15 days after the bill's issuance. A late fee is assessed at 6 days past due.
- b. If the bill is still unpaid 3 days after the due date, an automated friendly reminder call is made to the customer.
- c. If the bill is still unpaid when the next bill generates (on or about 30 days after the first bill date,) an initial notice of disconnect is printed on the customer's bill and a separate Disconnect Letter is included with the bill detailing options for the customer to stay connected.
- d. If the bill is still unpaid 52 days after the bill date, two automated 96-hour warning calls are made to the customer. The first call is made around 9 am, and the 2nd call around 5 pm.
- e. If the bill is still unpaid 53 days after the bill date, a disconnect field activity is created.
- f. If the bill is still unpaid 4 days later (56 days after the bill date), two additional automated 96-hour warning calls are made to the customer, again around 9 am and 5 pm.
- g. If the bill is still unpaid 4 days later (60 days after the bill date), two additional automated 96-hour warning calls are made to the customer, again around 9 am and 5 pm.
- h. These calls end when 1) the customer pays, 2) the disconnect field activity is completed, or 3) when the customer account rebills. In this case, the disconnect field activity is canceled, and the process restarts.

C. Completing the disconnect

- a. When on premises, the technician must knock on the door and inform the resident that service is being disconnected for non-payment. The technician hands the resident a door hanger with information on how to reconnect service but cannot accept payment to stop the disconnect.
- b. If there is no answer at the door, the technician completes the disconnect and leaves a door hanger with information on how to reconnect service.

D. Other

- a. These field activities are primarily routed to third parties but can be routed to Spire employees too.
- b. These field activities are worked Monday through Thursday, 8:00 AM to 4:00 PM, excluding holidays and the day before a holiday. Spire also adheres to Cold Weather Disconnection rules during winter months:

- i. The Cold Weather Rule applies to November 1 through March 31 each year and adds restrictions to this process.
 - ii. Disconnections for non-payment are not conducted during this period if the National Weather Service local forecast between 6:00 am and 9:00 am, for the following twenty-four hours, predicts that the temperature will drop below 32 degrees Fahrenheit.
 - iii. Disconnections for non-payment are also prohibited during this period, provided:
 - 1. The customer contacts Spire and states their inability to pay in full;
 - 2. The customer both agrees to a payment arrangement with Spire and pays an initial sum that complies with the rules in 4 CSR 240-13.055 (10);
 - 3. The customer complies with Spire's request for information regarding the customer's monthly or annual income; and
 - 4. There is no other lawful reason for disconnection of service.
- c. Technicians do not contact the customer when en route to complete the field activity.

Reconnection: Non-payment

- A. Process for requesting reconnect
 - a. When a customer requests a reconnect via the IVR, online, or over the phone with a representative, they are given a dollar amount needed to reconnect service.
 - i. This dollar amount will include the past due balance, a reconnect fee, and may include a deposit.
 - b. Once the payment is taken, a field activity is generated.
 - i. If the customer cannot pay, the customer can be referred to agencies for assistance or based on the time of year, a payment plan can be discussed.
- B. Process for scheduling reconnect
 - a. If a customer requests a reconnect Monday through Friday, 7:00 am to 7:00 pm, the field activity will be generated for the next available working day, which is typically the next day.
 - i. In some rare instances, we can route a technician to reconnect on a same-day basis
 - b. If a customer requests a reconnect after hours, the field activity will be generated for the next available working day, which is typically two days later, but could be greater if the next available working day spans a weekend or holiday.
- C. Other
 - a. Reconnect from non-payment field activities are routed to internal employees only.
 - b. Technicians contact the customer when en route to complete the field activity.
 - c. If the customer is not home, the technician will leave a door hanger with information requesting that the customer call to reschedule.